

FISCAL NOTE

HB 2677

March 25, 2004

SUMMARY OF BILL: Authorizes local governments to sell general obligation bonds at a private negotiated sale. Specifies that a written request for proposal would have to be sent to a minimum of five qualified underwriters and a minimum of three must be received by the RFP deadline. Restricts firms that have served as financial advisors to local governments on a debt issue from participating in the underwriting of such issue. Requires certain entities serving as financial advisor, underwriter or loan agent to disclose all fees and costs associated with general obligation debt.

ESTIMATED FISCAL IMPACT:

Local Govt. Expenditures - Net Impact - Not Significant / Permissive

Estimate assumes:

- provisions of bill intended to amend TCA 9-21-203 rather than TCA 9-21-302 which deals with revenue bonds rather than general obligation bonds so impact written as amending TCA 9-21-203.
- some aspects of issuing bonds through negotiated sale rather than competitive sale could result in cost savings to a local government choosing this method. Conversely, some aspects of negotiated sale may result in higher expenditures. The net impact is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director